



United States Department of the Interior
BUREAU OF LAND MANAGEMENT
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In Reply Refer To:
3107 (923Weaver) P

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To: Field Managers
From: Acting Deputy State Director
Subject: Segregated Leases and Suspensions

In response to requests from the Field Offices, the Wyoming State Office (WSO) Fluid Minerals Adjudication staff has developed the following resolutions to the issues of granting and lifting suspensions for leases that are under suspension and then are segregated by a unit:

1. If a lease that is under a suspension is committed to a unit and the lease is eligible for segregation, then the segregated lease would also be placed under suspension (since it receives all the terms and conditions of the base lease).
2. The segregated lease would be entitled to a 2-year extension or the remainder of the primary term, whichever is longer.
 - a. If there was less than 2 years remaining in the primary term when the base lease went into suspension, then the segregated lease would be entitled to a 2-year extension due to the unit segregation.
 - b. The 2-year extension on the segregated lease would be added to the **suspension lifting date**. The lessee would then receive the full benefit of the 2-year extension.
 - c. **Do not calculate the adjusted expiration date and then add the 2-year extension.**
 - d. The lessee is only entitled to a 2-year extension or the remainder of their primary term, whichever is greater; but not both.
 - e. If there was 2 or more years remaining in the primary term of the base lease when it went into suspension, then when the suspension is lifted, the segregated lease would receive that adjusted expiration date (the remainder of the primary term).

The Field Offices will need to determine if the segregated lease should remain under suspension:

1. Do the conditions of the suspension still apply to the segregated lease?
 - a. If yes, then the suspension would remain in place on the segregated lease.
 - b. If no, then the suspension should be immediately lifted on the segregated lease and the 2-year extension would be applied.
2. If the segregated lease should continue under a suspension, but for different conditions, then the original suspension should be lifted and a new suspension should be immediately granted for the new conditions.

This information should be added to your handbooks (3105, 3107) for future reference.

If you have any question about this matter, please contact either Pam Lewis or Julie Weaver of the WSO 923 staff at extensions (307) 775-6176, or (307) 775-6260, respectively.

/s/ Larry Claypool